



Caltrans Division of Research,
Innovation and System Information

Research Results

Planning/
Policy/
Programming

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Project Title:
Road Usage Charge Initial Study

Task Number: 2656

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Exploring a Road Charge for California

California researches the feasibility of replacing the gas tax with a road charge

WHAT WAS THE NEED?

The current method for financing road maintenance and construction is through excise taxes paid on the amount of fuel purchased at the pump. However, since 2006, gas tax revenues have declined significantly as a result of more fuel-efficient vehicles. Investment in transportation is now about 30% of what is necessary to meet the needs of the state's 50,000 lane miles of roads. As gas tax revenues dwindle, federal policymakers have had to divert billions from the general fund and other non-transportation funds to pay for states' infrastructure, putting increasing pressure on identifying new, viable transportation financing mechanisms. A road charge—a fee based on the number of miles driven—is an alternative method to generate revenue for transportation. Road usage charge systems have been proposed in the United States and other countries, but the only two live programs worldwide are in Oregon and New Zealand.

In 2014, Governor Brown signed into law Senate Bill (SB) 1077, which requires California to design and implement a statewide pilot program to study the implications of a road charge model by January 1, 2017. The legislation required the California Transportation Commission (CTC) to create a 5-member Road Charge Technical Advisory Committee (TAC) to study alternatives to the gas tax, gather public comment on issues and concerns related to the pilot program, and make recommendations regarding its design and evaluation. Based on recommendations from the TAC, the California State Transportation Agency (CalSTA) will implement a pilot program to identify and evaluate issues related to a road charge program.

WHAT WAS OUR GOAL?

The goal was to gather background research surrounding a road charge to better understand the revenue concept and further investigate alternate methods of collecting revenues to finance the long-term repair, maintenance, and improvement of California's roadways.



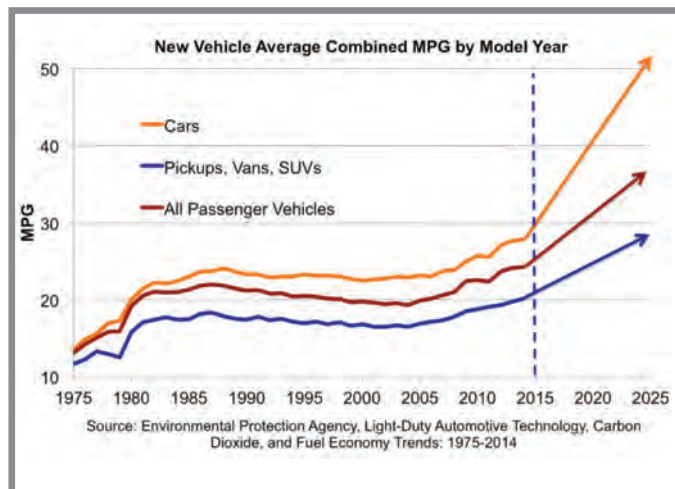
Caltrans provides a safe, sustainable,
integrated and efficient transportation
system to enhance California's
economy and livability.

WHAT DID WE DO?

Pursuant to SB 1077, the CTC began convening monthly TAC meetings throughout the state to discuss various policy and technical issues related to the design and implementation of a road charge pilot program. The legislation provided policy, design, and privacy protection guidance to assist in designing a pilot program to test road charging in California.

WHAT WAS THE OUTCOME?

The initial research consisted of updating the preliminary investigation completed by Caltrans. In addition, deliverables included creating plans for outreach, communications, potential demonstration options, and strategic implementation. Caltrans was requested to provide technical support to the TAC, CTC, and CalSTA for the road charge pilot program process. Caltrans used this research to secure funding and resources for the pilot program through the 2015-16 annual budget process.



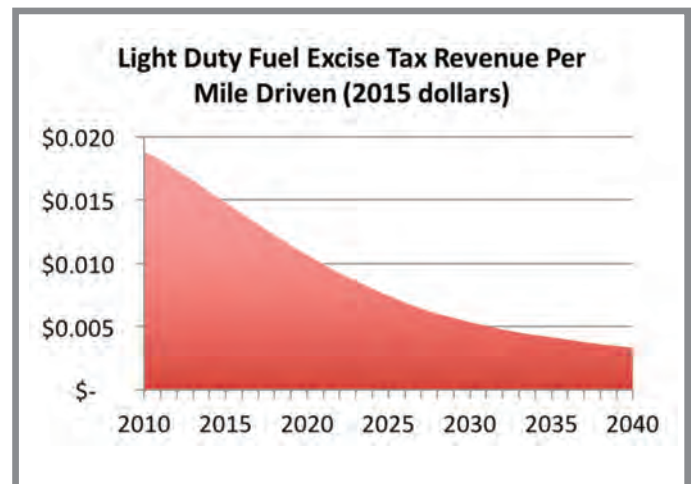
Average miles per gallon of
new vehicles by model year

WHAT IS THE BENEFIT?

A well-maintained and efficiently operating transportation system is critical for California's economy and quality of life. The revenues currently available for highways and local roads are inadequate to preserve and maintain the existing infrastructure and to provide funds to reduce congestion and improve safety. The gas tax is no longer an effective method for meeting California's long-term revenue needs as cars and trucks become more fuel efficient and alternative sources of power are introduced. A road charge directly links revenues with usage, potentially providing a more reliable source of funding to maintain and improve the state's roads in the long term.

LEARN MORE

For the latest information about the progress of the road charge pilot, visit www.californiaroadchargepilot.com.



Projected fuel tax revenue in cents per
mile driven, adjusted for inflation